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October 14, 2005

Mr. David Paulison
Acting FEMA Director
Federal Emergency Management Agency
500 C Street SW
Washington, D.C. 20472

Dear Mr. Paulison:

I am encouraged that you announced that the prime contracts which were awarded without a bid process after Hurricane Katrina are being awarded again through a new bid process. As you know, President Bush has directed that local businesses in the regions hit by Hurricanes Katrina and Rita be given preference by the contractors doing business with the federal government, and I have given similar direction for contractors doing business with the state. As a result of the new bid process you have announced, I believe there is a unique opportunity to mandate that local preference be required of the contractors.

State employees in Louisiana have worked over the past weeks since Hurricane Katrina to establish a depth of contacts with the current FEMA prime contractors. I asked that they do so to connect prime contractors to Louisiana businesses that are capable of meeting their needs. Dollars that are provided to local companies assist dramatically in helping our struggling economy to rebound.

The Stafford Act anticipated the importance of local contractors to the recovery process after a disaster. The Act provides that local vendors should be given preference for contracts. To quote Section 307:

"§ 5150. USE OF LOCAL FIRMS AND INDIVIDUALS {Sec. 307}

In the expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable, to those organizations, firms, and individuals residing or doing business primarily in the area affected by such major disaster or emergency. This section shall not be considered to restrict the use of Department of Defense resources in the provision of major disaster assistance under this Act."

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I am requesting that you include reference to this Stafford Act language in the contracts that are going to be released for public bid. Furthermore, it would be most effective if prime contractors were required to seek out and use local subcontractors whenever possible. A contractor should be required to demonstrate that it has exhausted available local and in-state resources before reaching out of state to identify possible firms. Our staff at Louisiana Economic Development stands prepared to assist contractors with this effort, as they have already been doing since early September.

In addition, we have firms in Louisiana and on the Gulf Coast which are capable of being prime contractors. These firms will have better local contacts to subcontractors and will be more able to link the resources made possible by reconstruction efforts into the affected areas. If firms from Louisiana or elsewhere on the affected areas of the Gulf Coast are found to have the capacity to meet the anticipated needs of the contracting agency or agencies, I ask that their local prime contractors be given extra consideration as prime contractors as well.

Additional language should also suggest that coordination of available subcontracting needs be managed through federal procurement resources such as Procurement Technical Assistance Centers and/or state government resources such as Louisiana Economic Development. As I mentioned above, we have staff who have been working daily to connect the needs of prime contractors to local subcontracting firms. Where it is appropriate, it would be helpful to describe in the prime contracts that this type of coordination be mandatory.

Thank you in advance for your agency's assistance to support Louisiana businesses through the new contracts for the recovery and reconstruction period.

Sincerely,


Kathleen Babineaux Blanco
Governor

cc: Secretary Andy Card
Vice Admiral Thad Allen